REMARKS

Claims 6 through 18 are canceled and claims 19 through 54 are added by this Response. Thus, claims 19 through 54 are pending in the application. Applicant hereby requests further examination and reconsideration of the application in view of the following remarks.

Claim Rejection – 35 U.S.C. §102

The Patent Office rejected claims 9-12, 15-16, and 18 under 35 U.S.C. §102(a) as being anticipated by Freeman, "Eyemark Expands Virtually" Mediaweek, vol. 9, n. 7, pp. 9(1) 2/15/99. The Patent Office also rejected claims 9-12, 15-16, and 18 under 35 U.S.C. §102(a) as being anticipated by Battaglio, "'Virtual' Product Placing Gets Real in UPN" Hollywood Reporter, vol. 357, NO. 4, p. 1, 3/25/99. Additionally, the Patent Office rejected claim 6 under 35 U.S.C. §102(a) as being anticipated by "Virtual Ads, Real Problems" Advertising Age, 5/24/99. Finally, the Patent Office rejected claims 9-18 under 35 U.S.C. §102(e) as being anticipated by Sitnik (U.S. Patent No. 6,160,570).

Applicant respectfully submits that the cancellation of claims 6 and 9 through 18 in the present application by applicant obviates the Freeman, Battaglio, Advertising Age, and Sitnik rejection.

Claim Rejection – 35 U.S.C. §103

The Patent Office rejected claims 7 and 8 under 35 U.S.C. §103(a) as being unpatentable over Virtual Ads, Real Problems in view of Sitnik.

Applicant respectfully submits that the cancellation of claims 7 and 8 in the present application by applicant obviates the Virtual Ads, Real Problems in view of Sitnik rejection.

New Claims

With respect to new claims 19 -54, anticipation requires the disclosure in a single prior art reference of each element of the claim under consideration. *W.L. Gore & Assocs. v. Garlock*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Further, "anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." *Lindemann Maschinenfabrik BmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1982) (citing *Connell v. Sears, Roebuck & Co.*,

722 F.2d 1542, 220 USPQ 193 (Fed. Cir. 1984)) (emphasis added). Similarly, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Ryoka*, 180 U.S.P.Q. 580 (C.C.P.A. 1974). *See also In re Wilson*, 165 U.S.P.Q. 494 (C.C.P.A. 1970).

The cited references fail to disclose, teach, or suggest, a communication assembly, coupled with a removable moving media, which enables communication with a virtual product source as claimed in claim 19. Instead, the references of record merely disclose that virtual products may be placed in a media using a technology developed by Princeton Video Image of Lawrenceville, NJ, and do not include the communication assembly element. The references of record also fail to disclose, teach or suggest, a virtual product source for supplying the virtual products to be placed in a media as generally recited by claims 19 and 25. Instead, the references either disclose a digital television system for the storage and placement of images for display in a video sequence or the use of a technology developed by Princeton Video Image of Lawrenceville, NJ to place virtual products in an image. None of the cited references disclose, teach or suggest providing a virtual product source, such as a network. Moreover, the cited references fail to disclose, teach, or suggest, a system for placing virtual products within a moving media where the system includes an original moving media content source in communication with a network, the network providing a virtual product source (emphasis added) as recited by claim 31. As discussed above, the cited references merely disclose a digital television system which provides images for display in a video sequence or the use of a technology developed by Princeton Video Image of Lawrenceville, NJ to place virtual products in an image. Thus, the references fail to disclose, teach or suggest providing a network which provides a virtual product source. Finally, the references of record fail to disclose, teach, or suggest, the methods of selling the placement of products in moving media content released over time, released in a plurality of geographic areas, or distributed in a plurality of channels, including "updating the product . . . by downloading a new product into the content from a network" (emphasis added) as generally recited in claims 37, 41, and 45. By contrast, the cited references disclose only a method of selling the placement of products in moving media with varied release dates, different geographic areas, and various distribution channels but do not disclose, teach, or

suggest, updating the product to be placed in the media by downloading a new product into the content from a network. Thus, the references fail to disclose, teach or suggest the methods of selling the placement of products in moving media including "updating the product . . . by downloading a new product into the content from a network" (emphasis added).

Consequently, it is believed that the present invention as presently claimed in claims 19-54 is patentable over the references of record, and the prior art in general.

CONCLUSION

In light of the forgoing, reconsideration and allowance of the claims is earnestly solicited.

Respectfully submitted,
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